

VZCZCXYZ0024  
PP RUEHWEB

DE RUEHVI #3214/01 3061458  
ZNR UUUUU ZZH  
P 021458Z NOV 06  
FM AMEMBASSY VIENNA  
TO RUEHC/SECSTATE WASHDC PRIORITY 5401  
RUEKJCS/OSD WASHDC PRIORITY  
RHEHAAA/WHITEHOUSE WASHDC PRIORITY

UNCLAS VIENNA 003214

SIPDIS

SIPDIS

DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A  
TAGS: [KPAO](#) [AU](#) [OPRC](#)

SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: November 02, 2006

Gusenbauer-Schuessel Meeting?

11. Social Democrats leader Alfred Gusenbauer says he wants to hold a face-to-face meeting with Conservatives leader Chancellor Wolfgang Schuessel in a bid to break the deadlock over the coalition talks. A date for the meeting has not been made public. Like all Austrian media, mass-circulation tabloid Oesterreich suggests the deadlock of the SPOe-OeVP coalition talks could be resolved with a phone call. SPOe chairperson Alfred Gusenbauer will call Chancellor Wolfgang Schuessel today and invite him to a one-on-one discussion of the problematic situation. The move is said to have been "urgently requested" by President Heinz Fischer, who proposed in his meetings with the two party leaders that they should "meet and discuss the matter in person." According to Oesterreich, "OeVP insiders" are confident Schuessel will accept the invitation, although they do not believe it will solve the problem and get the Conservatives' coalition team to return to the negotiating table. The date for the meeting is to be kept secret, ORF online news writes, but Oesterreich suggests it could be held next Monday or Tuesday. Gusenbauer is to "offer Schuessel to include the OeVP's key concerns in the coalition package and in particular ask the Chancellor what the Conservatives' most important issues are and which of them the SPOe will certainly not support. He wants to talk about the real issues," the SPOe told Oesterreich.

Experts Pessimistic on Coalition Talks

12. In the face of recent developments and the breakdown of coalition talks, leading political analysts in Austria suggest a re-run of the general elections is becoming increasingly likely. In that case, the vote would certainly not take place this year. ORF radio early morning news Morgenjournal brings an analysis of the current deadlock in the Austrian coalition talks, and quotes leading political analysts as suggesting a re-run of the general elections cannot be ruled out, although such a move would not be wise for the country's two major parties. Austrian expert Peter Filzmaier told ORF radio that "it would be a hop-or-drop game for the SPOe and the OeVP, and entirely unpredictable for the two parties at this point." After all, important factors, including the question of whether Hans-Peter Martin would run again, whether the OeVP would present new candidates, or whether the mood among the Austrian public would shift, are not clear. Currently, the experts believe, the SPOe is in a stronger position, as the OeVP "has interrupted the negotiations, which is why facing elections again would be a considerable risk for the Conservatives," says Emmerich Talos. Similarly, political expert Ferdinand Karlhofer, suggests the "impression Austrians are getting at this point is that the SPOe is willing to negotiate, while the

OeVP would come off worse" in an election re-run, "because many people cannot understand their opposition" to the investigation committees. A new election campaign, however, could slightly change the situation, the analysts say.

#### Interview with Chancellor Schuessel

13. Following the collapse of coalition negotiations, Chancellor Wolfgang Schuessel told an Austrian daily that SPOe chair Alfred Gusenbauer, Greens leader Alexander Van der Bellen and FPÖe boss Heinz-Christian Strache "should have the courage to form a three-party coalition." He knows "what the role of the OeVP would be in that case," Schuessel added.

In an interview with mass-circulation daily on November 1, Austrian Chancellor Wolfgang Schuessel says his party had called off the coalition talks, because with the launch of the Eurofighter investigation committee, SPOe leader Alfred "Gusenbauer has decided to use a SPOe-Greens-FPÖe majority against the OeVP in Parliament. That is why we will not continue the negotiations for the time being." Furthermore, if, for the SPOe, the Eurofighter jets are "more important than other pressing issues such as the job market situation, then the solution is simple: The three parties (that cooperated on the parliamentary investigation committee) should have the courage to form a government." The Chancellor underscored that the OeVP "does not feel we can continue to work (with the SPOe) on this basis of distrust." The Conservatives would "put the coalition talks on hold for as long as the (SPOe's) strategy is in place." There are options for forming coalitions that would have a majority in Parliament, and the OeVP "would know our role in that case." The Chancellor concludes that for his party "a re-run of the elections is not on the agenda."

For full interview in German go to:

[http://kurier.at/nachrichten/oesterreich/3657\\_3.php](http://kurier.at/nachrichten/oesterreich/3657_3.php)

#### North Korea Conciliatory in Nuclear Row

14. Three weeks after its nuclear test, Pyongyang, in a surprise move and apparently under pressure from China, has said it will no longer boycott the six-party talks on the termination of its atomic program.

Despite tensions having eased slightly in the crisis over North Korea's nuclear program with Pyongyang's statement that it is willing to return to the negotiating table, excessive optimism would be premature, says independent provincial daily Salzburger Nachrichten. After all, North Korea considers its position strengthened after its nuclear tests last month. It is a simple equation of deterrence, the daily says: Now, the regime in Pyongyang can set its own atomic weapons arsenal against the US' nuclear arsenal. Washington is urging genuine progress in the negotiations on North Korea's nuclear program, while all sides seem to be relieved over the turn of events, which was largely brought about by China's efforts in the matter, the daily says. US President Bush has thanked Beijing for its commitment, which has facilitated a re-launch of the six-party talks. According to US chief negotiator Christopher Hill, the talks could resume this month, although it would still be too early to "bring out the champagne and the cigars," the Salzburger Nachrichten quotes. In the long run, however, Pyongyang will not be convinced to give up its nuclear program without getting some "dramatic concessions in return," the daily believes.

#### Iraq Crisis

15. At a meeting recently, top-level US military and intelligence representatives came to the alarming conclusion that the situation in Iraq might deteriorate further and the country could slide "into chaos."

In an analysis of the situation in Iraq, mass-circulation provincial daily Kleine Zeitung says that "violence has become an everyday aspect of life" in the country. Since last summer, US troop levels in Iraq have gone up from 127,000 to about 150,000, the daily says, and adds that this reflects the growing concern among the US armed forces over the continuously deteriorating situation in Iraq.

Sourcing the New York Times, the Kleine Zeitung writes top US military and intelligence services representatives at their meeting recently stated an "all-time high in violence" in the Gulf state, and have expressed their concern the country could "drift into chaos." They are going to brief US President George Bush on the situation in detail within the next days, the Kleine Zeitung writes.

#### Last Chance

16. With only a few days to go until the US mid-term elections, the Republicans are banking on campaign support from their president: George Bush is trying to mobilize the party base in traditional Republican strongholds. Mass-circulation tabloid Oesterrreich says the November 7 Congressional elections are President Bush's "last election campaign during his presidency: He is fighting hard to prevent the Democrats from taking over power in Congress, because otherwise he would at best run the risk of being a 'lame-duck' president during the last two years of his term, and at worst he might be facing impeachment proceedings," the daily says. Liberal daily Der Standard publishes a report on the "prominent campaign supporters: 'Political superstars' like Bill Clinton, Laura Bush and Barack Obama are not up for election in the November 7 vote, but they are popular crowd pullers for their respective parties and thus virtually omnipresent these days." Meanwhile, mass-circulation provincial daily Kleine Zeitung suggests another "election chaos" might be looming: "The new electronic voting machines and computers have turned out to be error-prone, as glitches during the primaries in a number of states have shown," the daily writes. McCaw